

**AMENDMENTS TO THE CLAIMS:**

This listing of claims will replace all prior versions and listings of claims in the application:

Claims 1-6 (Canceled).

7. (Currently Amended) A data processing system, comprising:

a risk analysis and planning module that analyzes risk elements of interest-rate derivative and mortgage pool components, develops plans for structuring securities based on selected components, and ensures each plan overcomes an artificial leverage limitation imposed by mortgage security regulatory structuring constraints ~~is economically efficient under one or more economic scenarios;~~

a deal structure module that validates a securities structuring ~~an economically efficient~~ plan and initializes files for the securities to be issued under the validated plan; and

an administration module for administering the securities issued under the plan validated and initialized by the deal structure module.

8. (Original) A data processing system according to claim 7, wherein the risk analysis and planning module comprises an asset pool prepayment model that projects cash flows of a mortgage asset account based on prepayment rate parameters and asset type data provided as input from a user.

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9. (Original) A data processing system according to claim 8, wherein the risk analysis and planning module further comprises a pool planning and stress process module that processes projected cash flows from the asset pool prepayment model and determines whether the projected cash flows are sufficient to meet predetermined payment obligations.

10. (Original) A data processing system according to claim 9, wherein the risk analysis and planning module further comprises a class structuring process module that evaluates derivatives for a proposed plan based on data from the pool planning and stress process module and a derivatives model.

Claims 11-26 (Canceled).

27. (Currently Amended) A method of adding value to mortgage-backed securities comprising:

identifying one or more pools of ~~optimized~~ mortgage securities;

identifying one or more pools of interest-rate derivatives;

analyzing risk elements and economic variables associated with cash flows coming from the one or more pools of mortgage securities and the one or more pools of interest-rate derivatives;

strategically allocating cash flows from the one or more pools of ~~optimized~~ mortgage securities and cash flows from the one or more pools of interest-rate derivatives to create classes of investment securities which define a new set of

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investment securities that overcome an artificial leverage limitation in the mortgage securities ~~are economically efficient under one or more market conditions~~, at least one class combining cash flows from the one or more pools of interest-rate derivatives and cash flows from the one or more pools of mortgage securities; and  
issuing the new set of investment securities.

28. (Currently Amended) The method of claim 27 wherein the one or more pools of ~~optimized~~ mortgage securities have floating rate (FLT) and inverse floating rate (INV) classes and the FLT and INV classes are exchanged for cash flows from a derivative contract.

29. (Original) The method of claim 28 wherein the derivative contract comprises an exchange of fixed rate cash flows from the mortgage securities for variable rate cash flows from the derivative contract.

30. (Original) The method of claim 28 wherein cash flows moves both to and from the FLT and INV classes.

31. (Currently Amended) An investment security comprising:  
cash flows coming from mortgage pool components; and  
cash flows coming from derivative components,  
wherein the cash flows from mortgage pool components and the cash flows from derivative components are allocated into tranches, whereby the value of the investment

security is greater than ~~more economically efficient under one or more market conditions compared to~~ that which would have been realized by securitizing cash flows coming from mortgage pool components alone.

32. (Original) The investment security of claim 31 wherein the cash flows coming from mortgage pool components comprise cash flows coming from a Real Estate Mortgage Investment Conduit (REMIC).

33. (Original) The investment security of claim 31 wherein the cash flows coming from mortgage pool components comprise cash flows coming from a Financial Asset Securitization Investment Trusts (FASIT).

34. (Original) The investment security of claim 31 wherein the cash flows coming from mortgage pool components comprise cash flows coming from a multiple-class mortgage cash flow security.

35. (Original) The investment security of claim 31 wherein the cash flows coming from mortgage pool components comprise cash flows coming from a collateralized mortgage obligation.

36. (Original) The investment security of claim 31 wherein the derivative components comprise swaps.

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37. (Original) The investment security of claim 36 wherein the swaps comprise fixed rate for floating rate interest rate swaps.

38. (Original) The investment security of claim 36 wherein the swaps comprise financial index swaps.

39. (Original) The investment security of claim 31 wherein the derivative components comprise call options on mortgage-backed securities.

40. (Original) The investment security of claim 31 wherein the derivative components comprise put options on mortgage-backed securities.

41. (Original) The investment security of claim 31 wherein the derivative components comprise caps.

42. (Original) The investment security of claim 31 wherein the derivative components comprise floors.

43. (Original) The investment security of claim 31 wherein the derivative components comprise collars.

44. (Original) The investment security of claim 31 wherein the derivative components comprise corridors.

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45. (Currently Amended) A system for creating investment securities which are at least partially backed by mortgage pool components comprising:

a risk analysis and planning module that analyzes risk elements of interest-rate derivative and mortgage pool components, develops plans for structuring securities based on selected components from the interest-rate derivative and mortgage pool components, and adopts ~~optimal~~ plans which overcome an artificial leverage limitation imposed by mortgage security regulatory structuring constraints;

a deal structure module that validates each adopted plan and causes the securities to be issued under each validated plan; and

an administration module for administering the securities issued under each plan validated and initialized by the deal structure module.

46. (Previously Presented) A system for creating investment securities according to claim 45, wherein the risk analysis and planning module further comprises an asset pool prepayment model that projects cash flows of a mortgage asset account based on prepayment rate parameters and asset type data provided as input from a user.

47. (Original) A system for creating investment securities according to claim 46, wherein the risk analysis and planning module further comprises a pool planning and stress process module that processes projected cash flows from the asset

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pool prepayment model and determines whether the projected cash flows are sufficient to meet predetermined payment obligations.

48. (Original) A system for creating investment securities according to claim 47, wherein the risk analysis and planning module further comprises a class structuring process module that evaluates derivatives for a proposed plan based on data from the pool planning and stress process module and a derivatives model.

49. (Currently Amended) A method for creating investment securities, the method comprising:

~~optimizing~~ creating a securities structure backed by mortgage pool components in accordance with regulatory structuring constraints, the securities structure having one or more classes of securities, at least one class being subject to an artificial leverage limitation under the regulatory structuring constraints because it is designated for absorbing prepayment risk ~~each class including at least one of interest cash flows and principal cash flows;~~

~~determining if a class of the optimized securities structure is economically inefficient under one or more market conditions;~~

restructuring ~~an inefficient~~ one of the at least one class designated for absorbing prepayment risk to overcome the artificial leverage limitation ~~to make it economically efficient~~ by combining ~~mortgage pool components~~ it with at least one cash flow coming from interest-rate derivative components in an economically efficient manner under the one or more market conditions; and

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issuing the structured securities.

50. (Previously Presented) The method according to claim 49, wherein the interest-rate derivative components comprise at least one exchange of cash flows backed by one or more mortgage pools for cash flows that are not mortgage-backed, the restructuring step combining the non-mortgage-backed cash flows with cash flows backed by one or more mortgage pools.

51. (Currently Amended) The method according to claim 49, wherein the restructuring step comprises adjusting cash flow characteristics of the at least one class designated for absorbing prepayment risk ~~inefficient class of securities~~.

52. (Currently Amended) The method according to claim 49, wherein the restructuring step comprises allocating principal, interest, and other cash flows from the interest-rate derivative and the mortgage pool components to the at least one class designated for absorbing prepayment risk ~~inefficient class of securities~~.

53. (Currently Amended) The method according to claim 52, wherein the restructuring step further comprises adjusting the principal and interest cash flow characteristics of the at least one class designated for absorbing prepayment risk ~~inefficient class of securities~~ based on the result of analyzing the risk elements of the interest-rate derivative and mortgage pool components.

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54. (Previously Presented) The method according to claim 49, wherein at least one of the structured classes of securities has floating interest rate characteristics.

55. (Previously Presented) The method according to claim 49, wherein the overall value of the securities structure is increased.

56. (Currently Amended) The method according to claim 49, wherein the restructuring step further comprises:

not restructuring one or more other classes of the ~~optimized~~ securities structure.

57. (Currently Amended) The method according to claim 49, wherein the restructuring step further comprises:

restructuring more than one ~~inefficient~~ class of the ~~optimized~~ securities structure.

58. (Currently Amended) A computer program product for creating investment securities, the computer program product comprising computer-readable media having computer-readable code, the computer program product comprising the following computer-readable program code for effecting actions in a computing platform:

program code for ~~optimizing~~ creating a securities structure backed by mortgage pool components, the securities structure having one or more classes of securities, at least one class being subject to an artificial leverage limitation under the regulatory structuring constraints because it is designated for absorbing prepayment risk ~~each class including at least one of interest cash flows and principal cash flows;~~


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~~program code for determining if a class of the optimized securities structure is economically inefficient for one or more economic scenarios;~~

program code for restructuring ~~an inefficient~~ one of the at least one class designated for absorbing prepayment risk to overcome the artificial leverage limitation to make it economically efficient by combining mortgage pool components it with at least one cash flow coming from interest-rate derivative components ~~in an economically-efficient manner under the one or more economic scenarios;~~ and

program code for creating the structured securities.



59. (Previously Presented) The computer program product according to claim 58, wherein the interest-rate derivatives comprise at least one exchange of cash flows backed by one or more mortgage pools cash flows that are not mortgage-backed, the program code for restructuring comprising program code for combining the non-mortgage-backed cash flows with other cash flows backed by one or more mortgage pools.

60. (Currently Amended) The computer program product according to claim 58, wherein the program code for restructuring comprises program code for adjusting cash flow characteristics of the at least one class designated for absorbing prepayment risk ~~inefficient class of securities~~.

61. (Currently Amended) The computer program product according to claim 58, wherein the program code for restructuring comprises program code for allocating

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principal, interest and other cash flows from the interest-rate derivative and mortgage pool components to the at least one class designated for absorbing prepayment risk ~~inefficient class of securities~~.

62. (Currently Amended) The computer program product according to claim 61, wherein the program code for restructuring further comprises program code for adjusting the principal and interest cash flow characteristics of the at least one class designated for absorbing prepayment risk ~~inefficient class of securities~~ based on the result of analyzing the risk elements.

63. (Previously Presented) A method of creating investment securities comprising:

identifying swap cash flows having notional principal specifications that can be combined with mortgage pool component cash flows;

structuring the swap cash flows and mortgage pool component cash flows in a securities structure that creates greater total economic value than a securities structure having mortgage pool component cash flows alone; and

issuing the structured securities.

64. (Previously Presented) The method according to claim 63, wherein the swap cash flows are adjusted in accordance with one or more interest rates.

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65. (Previously Presented) The method according to claim 63, wherein the notional principal specifications are adjusted in accordance with payment characteristics underlying the mortgage pool component cash flows.

66. (Previously Presented) The method according to claim 63, wherein the structuring step further comprises:

calculating potential risks and costs associated with a securities structure; and  
adjusting the securities structure based on those potential risks and costs.

67. (Previously Presented) The method according to claim 63, wherein the mortgage pool component cash flows comprise cash flows from at least one Real Estate Mortgage Investment Conduit (REMIC).

68. (Previously Presented) The method according to claim 63, wherein the mortgage pool component cash flows comprise cash flows from at least one Financial Asset Securitization Investment Trust (FASIT).

69. (Previously Presented) The method according to claim 63, wherein the mortgage pool component cash flows comprise cash flows from at least one multiple-class mortgage security.

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70. (Previously Presented) The method according to claim 63, wherein the mortgage pool component cash flows comprise cash flows from at least one collateralized mortgage obligation.

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